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Practice in focus

# Real Property Tax Appeals

## A Strategy for Tax Savings!

By Jason R. Rittie, Esq.

A recent article in the New York Times reported that the requests for property tax appeals "...are coming in record numbers, from owners of \$10 million estates and one-bedroom bungalows, from residents of the high-tax enclaves surrounding New York City, and from taxpayers in the Rust Belt and states like Arizona, Florida and California, where whole towns have been devastated by the housing bust."\*

In these tough economic times, many property owners are considering filing a tax appeal to help reduce and control expenses.

Generally, property values in New Jersey have dropped and now many properties have become "overvalued." Consequently, you may be entitled to a reduced property assessment resulting in decreased taxes.



### Where Do I Start?

To find out if you may be eligible for a property tax rebate, first look closely at your real estate tax assessment statement.

Does the assessment figure on your current Notice of Assessment reflect the true value of your home and land? If not, you may be eligible for a rebate.

Real Estate Tax Appeals must be filed annually on or before April 1 or within 45 days of the bulk mailing of the Assessment Notices.

However, if a municipality recently underwent a municipal-wide revaluation or municipal-wide reassessment, an appeal must be filed on or before May 1.

In any case, *don't wait*. Start doing your research and consult with an attorney today to understand your rights and responsibilities under the law.

In addition to the market value of the property, there are other factors that may entitle you to a reduction in your property taxes.

Examples:

- √ Transfer of title.  
A municipal tax assessor cannot increase a property's assessment merely because it has recently sold for a higher purchase price.
- √ Legally imposed restrictions.  
Rent control, Mount Laurel, and Highlands restrictions may justify reductions in assessed valuations.

(Continued on page 2)

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(Continued from page 1)

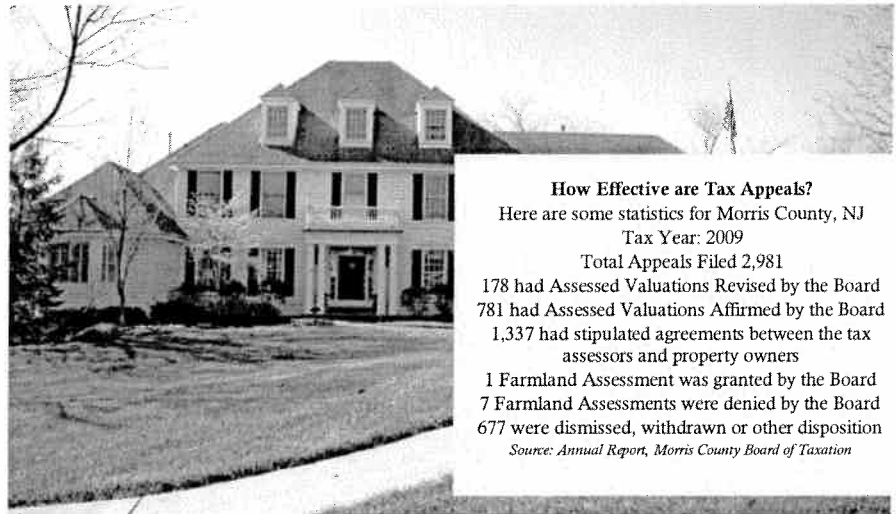
## Are There Special Rules for Rental Properties?

Yes, if you own rental income property, for example, when filing an appeal, you must supply an income statement on special forms provided by the Assessor. The net income generated by a property is used to measure the return on the investment and, accordingly, affects the property value. Of course, this information may be used in arguing both sides of an appeal.

To prepare for a tax appeal hearing, there's a great deal any property owner should know, and seeking competent legal advice is crucial to success.

There are certain points to keep in mind when filing an appeal according to the *NJ State Guide to Tax Appeal Hearings*:

1. While you may appeal an assessment, you may not appeal the local taxes. Nonetheless, a reduced assessment will result in a reduced tax bill.



### How Effective are Tax Appeals?

Here are some statistics for Morris County, NJ  
Tax Year: 2009

Total Appeals Filed 2,981

178 had Assessed Valuations Revised by the Board

781 had Assessed Valuations Affirmed by the Board

1,337 had stipulated agreements between the tax assessors and property owners

1 Farmland Assessment was granted by the Board

7 Farmland Assessments were denied by the Board

677 were dismissed, withdrawn or other disposition

Source: Annual Report, Morris County Board of Taxation

2. In order to bring an appeal, taxes and all other municipal charges must be current up to the first quarter of the year and a petition must be filed with your County Tax Board or the New Jersey Tax Court no later than April 1.

3. To succeed in reducing your taxes, you must prove that your property's assessed value is in error, unreasonable, excessive, or discriminatory compared to a market value standard. By law, your current assessment is assumed to be correct and you must overcome this presumption of correctness to obtain an assessment change.

4. An assessment is an opinion of value by a licensed professional. For an assessed value to be considered excessive or discriminatory, you must prove that it does not fairly represent one of two standards: "True Market Value" or "Current Level Range." Our Real Estate attorneys can assist you in evaluating whether to file a tax appeal, and guide you and represent you through the appeal process.

\*"Tax Bill Appeals Take Rising Toll on Governments,"  
by Jack Healy, NY Times, July 4, 2009.

## Real Estate, Zoning, Land Use: Who we are and what we do...

We are a full-service real estate department, experienced in all aspects of real estate law, including: negotiating and preparing contracts for purchase and sale of residential and commercial real estate, representing landlords and tenants in negotiations and preparation of leases, and representing borrowers and lenders regarding loans secured by real property. We protect our clients' interests in a dispute, avoiding costly litigation when possible.

Our zoning and land use attorneys navigate the complicated fields of zoning, ensuring our clients' properties can be used as intended.



### Theodore E.B. Einhorn, Esq.

Founder of the firm, Ted Einhorn, has extensive experience in land use, zoning and environmental matters. Formerly a Municipal Attorney for Rockaway Twp, Netcong Borough and Denville Twp.



### Jason R. Rittie, Esq.

Jason Rittie practices primarily in land use and zoning, real estate and corporate law. He has extensive experience in real estate matters, including tax appeals. Jason was admitted to the New Jersey bar and U.S. District Court District of New Jersey in 1999 and the New York bar in 2000.

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